

**CALIFORNIA GAMBLING CONTROL COMMISSION**

Physical Address: 2399 Gateway Oaks Drive, Suite 100 • Sacramento, CA 95833-4231

Mailing Address: P.O. Box 526013 • Sacramento, CA 95852-6013

Phone: (916) 263-0700 • FAX: (916) 263-0452

**NOTICE OF PROPOSED RULEMAKING****TITLE 4. CALIFORNIA GAMBLING CONTROL COMMISSION****Requests for Additional Temporary Tables**

The California Gambling Control Commission ("Commission") proposes to adopt the regulations described below after considering all comments, objections, or recommendations regarding the proposed action.

**PROPOSED REGULATORY ACTION:** The Commission proposes to adopt section 12358 of Title 4 of the California Code of Regulations, concerning requests for additional temporary tables.

**PUBLIC HEARING**

At this time, the Commission has not scheduled a public hearing. Any interested person or his or her duly authorized representative may request a hearing pursuant to Government Code section 11346.8 no later than 15 days prior to the close of the comment period.

**WRITTEN COMMENT PERIOD****February 3, 2006 to March 21, 2006**

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commission at any time during the 45-day public comment period. To be considered for summary and response, **all written comments must be received no later than 5:00 p.m., March 21, 2006.**

Requests for a public hearing or written comments for the Commission's consideration should be directed to:

Heather Hoganson, Counsel, California Gambling Control Commission

2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231;

Fax: 916-263-0452, E-mail: [hhoganson@cgcc.ca.gov](mailto:hhoganson@cgcc.ca.gov)**AUTHORITY AND REFERENCE**

Authority for the proposed regulations is provided by various provisions of the Gambling Control Act, which may be found in Business and Professions Code sections 19800--19980. In particular, Business and Professions Code sections 19811, 19823, 19824, 19840, 19841, 19854, 19864, 19951, and 19952 provide specific authority.

The proposed regulation implements, interprets, or makes specific Business and Professions Code sections 19823, 19867, 19951, and 19952, and are included as reference citations in the proposed regulations.

## INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

The Gambling Control Act (Business and Professions Code, section 19800 et seq.) provides the Commission jurisdiction over controlled gambling and all activity that is related to the conduct of controlled gambling. This includes defining and limiting the number of tables in a gambling establishment (cardroom).

The proposed regulations provide a mechanism for a gambling establishment to request authorization for additional tables on a temporary basis for a tournament or special event.

## DISCLOSURES REGARDING THE PROPOSED ACTION

**Mandate on local agencies and school districts:** These regulations do not impose a mandate on local agencies or school districts.

**Cost or savings to any state agency:** None.

**Cost to any local agency or school district that must be reimbursed in accordance with Government Code section 17561:** None

**Other non-discretionary cost or savings imposed upon local agencies:** None

**Cost or savings in federal funding to the state:** None

**Cost impact on representative private person or business:** Costs as follows would only accrue in the event that a cardroom requested additional temporary tables:

- If a cardroom made a request for additional tables, the application fee is set by statute at \$500.
- Deposits for investigation of requested additional tables for a gambling establishment would be pursuant to Business and Professions Code 19867.
- Pursuant to Business and Professions Code section 19952, the Commission is setting a fee for additional temporary tables in proposed regulation 12358, which would have a cost impact on any cardroom requesting an additional temporary table, as specified in the appended form, CGCC – 024 (New 06-05), “Request for a Certificate to Operate Additional Tables on a Temporary Basis.” This fee is described in the Initial Statement of Reasons.

**Impact on Business:** The Commission has made an initial determination that the proposed regulatory changes will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

**Significant effect on housing costs:** The Commission has made an initial determination that the proposed regulatory action would not affect housing costs.

**Effect on small business:** Some cardrooms may be small businesses; the cost effect on these cardrooms are the same as that addressed under “private person or business.”

## CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the Commission must determine that no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of the Commission would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

## ASSESSMENT REGARDING CREATION OR ELIMINATION OF JOBS IN CALIFORNIA

The Commission has made an assessment and determined that the adoption of the proposed regulation will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

## CONTACT PERSONS

Inquiries concerning the substance of the proposed action should be directed to:

Heather Hoganson, Counsel, California Gambling Control Commission,  
2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231;  
Telephone: 916-263-0490, Fax: 916-263-0452, E-mail: [hhoganson@cgcc.ca.gov](mailto:hhoganson@cgcc.ca.gov).

Requests for a copy of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, or other technical information upon which the rulemaking is based should be directed to:

Pam Ramsay, California Gambling Control Commission,  
2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231;  
Telephone: 916-263-8111, Fax: 916-263-0499.

## AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Commission will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at the office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the Initial Statement of Reasons. A copy may be obtained by contacting Pam Ramsay at the address or telephone number listed above or accessing the Commission's website at <http://www.cgcc.ca.gov>. Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the Regulations Coordinator or viewed on the website.

## AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the comment period, the Commission may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly indicated, will be made available to the public for at least 15 days prior to the date on which the Commission adopts the regulation. Requests for copies of any modified regulation should be sent to the attention of Pam Ramsay at the address indicated above.

The Commission will accept written comments on the modified regulation for 15 days after the date on which it is made available.

1 California Code of Regulations, Title 4. Business Regulations  
2 Division 18. California Gambling Control Commission  
3 Chapter 6. State Gambling Licenses and Approvals for Gambling  
4 Establishments, Owners, and Key Employees  
5

6 **12358. Request for Additional Temporary Tables for Tournaments or**  
7 **Special Events**

8 (a)An owner licensee of a gambling establishment may apply to operate,  
9 on a limited and temporary basis, for a tournament or special event  
10 (hereafter, event), more tables than the gambling establishment is  
11 authorized to regularly operate. To apply for additional tables, the  
12 applicant must submit to the Commission, no less than 45 days prior to  
13 the event, the following for each event:

14 (1)A completed and signed application form entitled "Request for a  
15 Certificate to Operate Additional Tables on a Temporary Basis"  
16 CGCC-024 (New 06-05), which is attached in Appendix A to this  
17 Chapter.

18 (2)A non-refundable application fee of \$500, made payable to the  
19 California Gambling Control Commission, plus a Division review  
20 deposit made payable to the Division of Gambling Control, pursuant  
21 to California Code of Regulations, title 11, section 2037.

22 (3)Fees for the additional tables, as calculated according to the form in  
23 subsection (a)(1), above:

24 (b)The Commission shall not grant the application if a review by the  
25 Division discloses any of the following:

26 (1)The requested temporary increase in the number of tables would  
27 exceed the number of tables allowed to be operated by the local  
28 jurisdiction for either the particular cardroom or the jurisdiction where  
29 the gambling establishment is located.

30 (2)The requested temporary increase in the number of tables has been  
31 denied by the local jurisdiction where the gambling establishment is  
32 located.

33 (3)The gambling establishment's state gambling license is suspended or  
34 contains conditions precluding the approval of a temporary increase  
35 in the number of tables.

36 (4)The gambling establishment has outstanding fees, deposits, fines, or  
37 penalties owing to the Commission or to the Division.

1 (c) The Commission may deny the application if the application as  
2 submitted was untimely or incomplete.

3 (d) A request by an applicant to withdraw the application shall result in the  
4 application being considered abandoned, and the fees for the additional  
5 tables and unused deposit amounts returned, with no further action to be  
6 taken by the Commission.

7 (e) The Commission may delegate the authority to deny the requested  
8 temporary increase or to issue a license certificate approving the  
9 requested temporary increase in the number of tables to any employee  
10 of the Commission. Commission staff shall commence the initial review  
11 and shall forward the application to the Division for review within 7 days  
12 of receipt of the application. The Division shall complete its review and  
13 return its findings to the Commission within 25 days of receipt of the  
14 application from the Commission. Commission staff shall then complete  
15 the review within 13 days of receiving the Division's findings and notify  
16 the applicant.

17 Authority: Sections 19811, 19823, 19824, 19840, 19841(a), (b), (c), and (p), 19864, and 19952, Business  
18 and Professions Code.

19 Reference: Section 19951, Business and Professions Code.  
20



State Of California  
California Gambling Control Commission  
CGCC - 024 (New 06-05)

Commission Use Only

Application Complete:

Cert Number:

Date referred to DGC:

Fee Received:

Date Entered By:

## REQUEST FOR A CERTIFICATE TO OPERATE ADDITIONAL TABLES ON A TEMPORARY BASIS

Type or print (in ink) all information requested on this application form. If additional space is needed, please note response on a separate sheet of paper and attach to the application. Any corrections, changes, or other substitutions must be initialed and dated by the applicant.

Do not misstate or omit any material fact(s) as each statement made herein is subject to verification.

**PLEASE SEND COMPLETED APPLICATIONS TO CGCC at: P.O. Box 526013, Sacramento, CA 95852-6013**

Attach non-refundable \$500 application fee (*payable to the California Gambling Control Commission*)

Attach temporary tables fees (see reverse for instructions) (*payable to the California Gambling Control Commission*)

Attach review deposit, pursuant to Cal. Code of Regulations, title 11, section 2037 (*payable to the Division of Gambling Control*)

### SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Name of Gambling Establishment:

Business Address:

Street

City

State

Zip Code

Business Telephone Number:

Business Facsimile Number (if applicable):

### SECTION 2: EVENT INFORMATION

A) Number of Presently Authorized Permanent Tables:	
B) Number of Requested Additional Temporary Tables for the Event:	
C) Total Number of Proposed Tables during the date listed in this request: (Total Amount of A and B)	
D) Amount of table fees included with this request: ( <i>Refer to instructions for additional information.</i> )	
E) Proposed Date(s) and Time(s) of the Event ( <i>If the number of tables vary on multiple dates, attach a list by date:</i> )	
F) Name of the Event:	
G) Location of the Event within the Gambling Establishment:	
H) Approved Games or Gaming Activities to be offered during this Event: ( <i>If Division approval is pending, please so state.</i> )	

### SECTION 3: DECLARATION

I request the issuance of a Certificate to Operate Additional Tables on a Temporary Basis at the above-named gambling establishment.

I understand that the establishment identified above will not be allowed to legally operate more than the number of tables for which a fee is being paid.

I declare under penalty of perjury under the laws of the State of California that the foregoing information, and all information submitted with this application is true, correct, and complete.

Signature of Owner Licensee: \_\_\_\_\_

Print Name:

Date:

Designated Contact for this Application

Telephone Number:

# REQUEST FOR A CERTIFICATE TO OPERATE ADDITIONAL TABLES ON A TEMPORARY BASIS

## SECTION 1: GAMBLING ESTABLISHMENT INFORMATION

Provide the legal name of the entity and any alternative names for the same business entity. You must notify the Commission of any name, address or telephone number changes. Your information is used to provide proper identification of your file, to contact you, and/or to determine your eligibility. Personal information contained in this application may be disclosed to the public in accordance with the Gambling Control Act (Business and Professions Code section 19821(b)).

## SECTION 2: EVENT INFORMATION

Indicate the number of tables that the gambling establishment currently has and the number it is requesting to operate on a temporary basis. Also provide the total number of tables that the gambling establishment wishes to operate and all relevant event information. Note: All requests are subject to compliance with local ordinances and state gambling laws.

### INSTRUCTIONS FOR CALCULATING THE AMOUNT OF TABLE FEES TO OPERATE ADDITIONAL TABLES ON A TEMPORARY BASIS

Determine the amount of the required fee that must be included with this request by completing the following steps and using the table below:

Number of Tables	Per Table Fee
One to Five	\$250
Six to Eight	\$450
Nine to Fourteen	\$1,050

Number of Tables	Per Table Fee
Fifteen to Twenty-five	\$2,150
Twenty-six to Seventy	\$3,200
Seventy-one or more	\$3,700

1. Add the current number of authorized tables licensed by the Commission to operate to the number of special event tables.
2. Multiply the total number of tables by the per table fee indicated in the above table.
3. From this total, subtract the basic table fees previously assessed for the current year.
4. Divide this figure by 365. This establishes the additional daily table fee for the event.
5. Multiply this total by the number of event days (fractions or portions of a day are considered a full day) and round your result up to the nearest whole number.
6. Multiply this number by two. This final figure is the table fee for the tournament or special event.

**EXAMPLE:** Gambling establishment "A" proposes to operate an additional 3 tables during a 5-day tournament. Establishment "A" is licensed/certified by the Commission for 24 tables and has been previously assessed a fee of \$51,600 (24 tables x \$2,150 per table = \$51,600)

1. Add the current number of tables and the additional number of tournament tables (24 current + 3 additional = 27 total)
2. Multiply this amount by the per table fee shown above (27 total # tables x \$3,200 per table = \$86,400).
3. From this amount, subtract the previously assessed fee for the year (\$86,400 - \$51,600 previously assessed fee = \$34,800).
4. Divide this amount by 365 (\$34,800 ÷ 365 = \$95.34).
5. Multiply this amount by the number of days of the tournament (\$95.34 x 5 days = \$476.70) and round this number up to the nearest whole number (\$477).
6. Multiply this amount by two (\$477 x 2 = \$954). The final fee for Establishment "A" to operate the additional tables for its tournament would be \$954.

## SECTION 3: DECLARATION

Sign and date the application under penalty of perjury. An application must be signed and dated to be considered complete. The designated contact person for this application must also be included, if applicable.

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## Initial Statement of Reasons

California Code of Regulations, Title 4. Business Regulations  
Division 18. California Gambling Control Commission  
Chapter 6. State Gambling Licenses and Approvals for  
Gambling Establishments, Owners, and Key Employees

## Additional Temporary Tables

The Gambling Control Act<sup>1</sup> provides the California Gambling Control Commission (hereafter, "Commission") the authority and jurisdiction over gambling establishments in the state of California:

...including jurisdiction over operation and concentration, and supervision over gambling establishments in this state and over all persons or things having to do with the operations of gambling establishments.<sup>2</sup>

Business and Professions Code, section 19841, subdivisions (o) and (p) mandate the Commission to adopt regulations which do as follows:

(o) Restrict, limit, or otherwise regulate any activity that is related to the conduct of controlled gambling, consistent with the purposes of this chapter.

(p) Define and limit the area, games, hours of operation, number of tables, wagering limits, and equipment permitted, or the method of operation of games and equipment, if the commission, upon the recommendation of, or in consultation with, the division, determines that local regulation of these subjects is insufficient to protect the health, safety, or welfare of residents in geographical areas proximate to a gambling establishment.

Due to the increase in poker tournaments on television, many cardrooms want to host their own tournaments in their establishments. While many do this using their existing tables, some cardrooms want to add extra tables for the tournament, leaving existing tables for regular play. By using extra tables for tournament play, people who come for the tournament but are knocked out early may still gamble at regular (non-tournament) tables, and the tournament structure becomes a way to bring in customers who might not otherwise have come to the cardroom. There is currently no set process in place for just requesting extra tables for tournaments. The Commission therefore proposes to adopt regulation 12358, which provides a mechanism for requesting additional temporary tables for tournaments or special events and establishes fees for those additional temporary tables.

<sup>1</sup> Business and Professions Code, section 19800 et seq.

<sup>2</sup> Business and Professions Code, section 19811, subdivision (b).

An application fee of \$500 is set by Business and Professions Code, section 19951, subdivision (a): "Every application for a license or approval shall be accompanied by a nonrefundable fee of five hundred dollars (\$500)."

The fees for the temporary tables themselves are set pursuant to the authority of Business and Professions Code 19952.

19952. Special License Fee; Excess Tables for Tournaments and Special Events

The commission, by regulation, shall establish fees for special licenses authorizing irregular operation of tables in excess of the total number of tables otherwise authorized to a licensed gambling establishment, for tournaments and other special events.

The Commission considered having a flat rate for additional temporary tables, but this approach was rejected as not furthering the legislative purpose of considering the size and scope of individual establishments. Many cardrooms have one or two tables only; over 75% of California cardrooms have less than 15 tables; and the top four cardrooms in California have over 100 tables each. Therefore, a flat fee would be harder to bear on smaller cardrooms than larger ones. It was agreed that using the statutory annual table fee structure as a base would be the most equitable. That structure is as follows<sup>3</sup>:

- (1) For a license authorizing one to five tables, inclusive, at which games are played, two hundred fifty dollars (\$250) for each table.
- (2) For a license authorizing six to eight tables, inclusive, at which games are played, four hundred fifty dollars (\$450) for each table.
- (3) For a license authorizing 9 to 14 tables, inclusive, at which games are played, one thousand fifty dollars (\$1,050) for each table.
- (4) For a license authorizing 15 to 25 tables, inclusive, at which games are played, two thousand one hundred fifty dollars (\$2,150) for each table.
- (5) For a license authorizing 26 to 70 tables, inclusive, at which games are played, three thousand two hundred dollars (\$3,200) for each table.
- (6) For a license authorizing 71 or more tables at which games are played, three thousand seven hundred dollars (\$3,700) for each table.

The structure above is applicable to cardrooms making less than certain amounts of money; after stated statutory gross revenues are exceeded, tables fees are increased.

A draft of this regulation was distributed to industry in August 2004, which included limits on the number of tournaments allowed per year and limits on the number of days each tournament could last. A multiplier of seven times the statutory fee structure was used in the calculation of fees for tables. This multiplier was to cover costs of enforcement and to deter misuse of tournaments. At a large public workshop held in September 2004, industry pointed out that if they were to pay additional fees for the temporary tables, there should be no limits on the number or length of tournaments. Industry also indicated that the

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<sup>3</sup> Business and Professions Code section 19951, subdivision (c).

multiplier of seven was too high. A new draft was circulated in the spring of 2005, which deleted the limits on tournaments and lowered the multiplier to three. Golden State Gaming Association indicated that the multiplier was still too high for cardrooms. In a rulemaking in the fall of 2005, the draft lowered the multiplier again, to two. This new multiplier of two was not objected to by industry. In fact, no comments were received regarding this regulation.

While “twice as much” might seem high on its face to those not involved with calculating or paying tables fees, it amounts to a very small monetary amount per day. To give a couple of examples:

- ❖ A two-table cardroom that wants to add one table for five days would pay a mere \$6.85 in tables fees.
- ❖ A ten-table cardroom that wants to add two tables for a three-day tournament would pay \$34.52 in tables fees.
- ❖ A twenty-table cardroom that wants to add five tables for a one day special event would pay \$58.92 in tables fees.
- ❖ A thirty-table cardroom that wants to add three tables for two days would pay \$105.24 in tables fees.

Cardrooms currently pay between sixty-eight cents per table per day and ten dollars per table per day, depending on the size of the establishment. At the highest price, then, a cardroom would pay \$20 per table per day of a tournament or other special event where temporary tables have been authorized.

While additional enforcement time is required to ensure that temporary tables are being used appropriately for tournaments or special events, one of the main concerns is that some cardrooms use the tournament or special event umbrella to obtain a “weekend table” at a lower rate when they should be applying for a permanent additional table. Setting the fee at twice that of regular tables will help ensure that temporary tables are only requested for actual tournaments or special events, and not as an end-run around having more tables for just weekends or holidays. Because of the additional workload to Commission and Division staff in processing the requests as well as overseeing compliance with the number of authorized tables and preventing misuse of temporary tables, setting the fees for temporary tables at twice that of regular tables will lessen the processing and compliance burden on state (as well as local) authorities. The Division concurs with this proposal, as is shown in Attachment A to this Initial Statement of Reasons.

In furtherance of the Gambling Control Act, the Commission’s mandate to insure that gambling is conducted in suitable locations<sup>4</sup>, and local jurisdiction’s authority to regulate gambling to a stricter degree than state standards<sup>5</sup>, approval for additional temporary tables will not be given if the additional tables would violate the number of tables

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<sup>4</sup> Business and Professions Code, section 19801, subdivision (f); section 19824, subdivision (e); section 19862.

<sup>5</sup> Business and Professions Code, section 19960.

authorized by local ordinance for that particular cardroom, or for the jurisdiction as a whole, or if such a request has already been denied by the local jurisdiction.

In furtherance of the Gambling Control Act, the Commission's mandate to insure that gambling is free from criminal and corruptive elements<sup>6</sup> and to protect the public health, safety, and general welfare of the residents of the state<sup>7</sup>, approval for additional temporary tables will not be given if the gambling establishment's license is currently suspended or has restrictions on the license preventing additional temporary tables or if the gambling establishment is not current on the monies owed to the Commission or Division, including any license fees, fines, or penalties.

This proposed regulation provides for processing times of the application. It also provides that Commission staff will notify the applicant regarding the denial of the request or the approval and subsequent issuance of a license certificate for the additional temporary tables. This section thus provides notice to the public of the Commission procedures.

### Required Determinations

#### LOCAL MANDATE

These regulations do not impose a mandate on local agencies or school districts.

#### REASONABLE ALTERNATIVES TO THE PROPOSED REGULATIONS AND REASONS FOR REJECTING THOSE ALTERNATIVES.

The Commission is not aware of any reasonable alternatives that would as effectively achieve the regulatory purpose of processing additional temporary table applications and achieving compliance in situations where temporary tables have been requested.

#### REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESSES

The Commission is not aware of any reasonable alternatives that would lessen any adverse impact on small businesses.

#### IMPACT ON PRIVATE PERSONS

The Commission is not aware of any reasonable alternatives that would be more effective or as effective and less burdensome to private persons.

#### IMPACT ON BUSINESS

The Commission has made a determination that the proposed regulatory changes will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

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<sup>6</sup> Business and Professions Code, section 19801, subdivisions (b) and (i); section 19862.

<sup>7</sup> Business and Professions Code, section 19920.

# Attachment A

**BILL LOCKYER**  
*Attorney General*

**RECEIVED  
BY**

*State of California*  
**DEPARTMENT OF JUSTICE**



DIVISION OF GAMBLING CONTROL  
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**CA GAMBLING CONTROL  
COMMISSION**

**JAN 09 2006**

January 6, 2006

Mr. Steve Giorgi, Director  
California Gambling Control Commission  
2399 Gateway Oaks Drive, Suite 100  
Sacramento, CA 95833

RE: Proposed Regulation 12358

Dear Director Giorgi:

Pursuant to Business and Professions Code, Section 19952, the California Gambling Control Commission (Commission) is responsible for establishing a Special License Fee for additional, temporary tables used for tournaments and special events.

After extensive negotiations, the Commission and industry agreed in using the multiplier of two in the calculation of the Special License fee for tables. This was based on consideration of additional workload responsibilities incurred by both the Commission and the Division.

Tournaments and special events increase the Division's licensing and enforcement workload. Initially, the Division must research the local ordinance, verify there is an approved business license for the additional tables, coordinate with the local jurisdiction to ensure compliance issues regarding the number of tables allowed to be operated and prepare a report to the Commission with their findings and recommendations. Additionally, the Division is responsible for verifying the tournament is within the approved structure, that it is operating during the approved dates and times, that only approved games are being played and that the approved wagering and payoff structure is utilized.

There is a fee schedule in the Business and Professions Code wherein the cardrooms pay annual fees calculated using the number of tables in their establishment. Our experience has been that there are some cardrooms who operate tournaments every weekend of the year and in essence, are circumventing annual fee payments for those tables.

Mr. Steve Giorgi, Director


January 5, 2006

Page 2

The multiplier of two is intended to be a disincentive/deterrent to the industry to ensure the card rooms are actually using the additional tables for tournaments and not just for regular play. Setting the fee at twice that of regular tables will help ensure that temporary tables are only requested for actual tournaments or special events, and not as an end-run around having more tables on weekends or holidays.

The Division supports Proposed Regulation 12358 as it is drafted and in particular supports the proposed fee structure.

Sincerely,

*for*   
ROBERT E. LYTLE  
Director

For BILL LOCKYER  
Attorney General

cc: Heather Cline Hoganson